

By: Uresti

S.B. No. 552

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Coates Ranch Municipal Utility District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8373 to read as follows:

CHAPTER 8373. COATES RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8373.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Coates Ranch Municipal Utility District No. 1.

Sec. 8373.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8373.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8373.004. CONSENT OF MUNICIPALITY REQUIRED. The

1 temporary directors may not hold an election under Section 8373.003
2 until each municipality in whose corporate limits or
3 extraterritorial jurisdiction the district is located has
4 consented by ordinance or resolution to the creation of the
5 district and to the inclusion of land in the district.

6 Sec. 8373.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

7 (a) The district is created to serve a public purpose and benefit.

8 (b) The district is created to accomplish the purposes of:

9 (1) a municipal utility district as provided by
10 general law and Section 59, Article XVI, Texas Constitution; and

11 (2) Section 52, Article III, Texas Constitution, that
12 relate to the construction, acquisition, or improvement of
13 macadamized, graveled, or paved roads described by Section 54.234,
14 Water Code, or improvements, including storm drainage, in aid of
15 those roads.

16 Sec. 8373.006. INITIAL DISTRICT TERRITORY. (a) The
17 district is initially composed of the territory described by
18 Section 2 of the Act enacting this chapter.

19 (b) The boundaries and field notes contained in Section 2 of
20 the Act enacting this chapter form a closure. A mistake made in the
21 field notes or in copying the field notes in the legislative process
22 does not affect the district's:

23 (1) organization, existence, or validity;

24 (2) right to issue any type of bond for the purposes
25 for which the district is created or to pay the principal of and
26 interest on a bond;

27 (3) right to impose a tax; or

1 (4) legality or operation.

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 8373.051. GOVERNING BODY; TERMS. (a) The district is
4 governed by a board of five elected directors.

5 (b) Except as provided by Section 8373.052, directors serve
6 staggered four-year terms.

7 Sec. 8373.052. TEMPORARY DIRECTORS. (a) The temporary
8 board consists of:

9 (1) Hugh Coates;

10 (2) Dennette Coates; and

11 (3) Greg Leach.

12 (b) On or after the effective date of the Act enacting this
13 chapter, the owner or owners of a majority of the assessed value of
14 the real property in the district may submit a petition to the
15 commission requesting that the commission appoint as temporary
16 directors the three persons named in the petition. The commission
17 shall appoint as temporary directors the three persons named in the
18 petition.

19 (c) Temporary directors serve until the earlier of:

20 (1) the date permanent directors are elected under
21 Section 8373.003; or

22 (2) the fourth anniversary of the effective date of
23 the Act enacting this chapter.

24 (d) If permanent directors have not been elected under
25 Section 8373.003 and the terms of the temporary directors have
26 expired, successor temporary directors shall be appointed or
27 reappointed as provided by Subsection (e) to serve terms that

1 expire on the earlier of:

2 (1) the date permanent directors are elected under
3 Section 8373.003; or

4 (2) the fourth anniversary of the date of the
5 appointment or reappointment.

6 (e) If Subsection (d) applies, the owner or owners of a
7 majority of the assessed value of the real property in the district
8 may submit a petition to the commission requesting that the
9 commission appoint as successor temporary directors the persons
10 named in the petition. The commission shall appoint as successor
11 temporary directors the persons named in the petition.

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 8373.101. GENERAL POWERS AND DUTIES. The district has
14 the powers and duties necessary to accomplish the purposes for
15 which the district is created.

16 Sec. 8373.102. MUNICIPAL UTILITY DISTRICT POWERS AND
17 DUTIES. The district has the powers and duties provided by the
18 general law of this state, including Chapters 49 and 54, Water Code,
19 applicable to municipal utility districts created under Section 59,
20 Article XVI, Texas Constitution.

21 Sec. 8373.103. AUTHORITY FOR ROAD PROJECTS. (a) Under
22 Section 52, Article III, Texas Constitution, the district may
23 design, acquire, construct, finance, issue bonds for, improve, and
24 convey to this state, a county, or a municipality for operation and
25 maintenance macadamized, graveled, or paved roads described by
26 Section 54.234, Water Code, or improvements, including storm
27 drainage, in aid of those roads.

1 (b) The district may exercise the powers provided by this
2 section without submitting a petition to or obtaining approval from
3 the commission as required by Section 54.234, Water Code.

4 Sec. 8373.104. APPROVAL OF ROAD PROJECT. (a) The district
5 may not undertake a road project authorized by Section 8373.103
6 unless:

7 (1) each municipality or county that will operate and
8 maintain the road has approved the plans and specifications of the
9 road project, if a municipality or county will operate and maintain
10 the road; or

11 (2) the Texas Transportation Commission has approved
12 the plans and specifications of the road project, if the state will
13 operate and maintain the road.

14 (b) Except as provided by Subsection (a), the district is
15 not required to obtain approval from the Texas Transportation
16 Commission to design, acquire, construct, finance, issue bonds for,
17 improve, or convey a road project.

18 Sec. 8373.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
19 OR RESOLUTION. The district shall comply with all applicable
20 requirements of any ordinance or resolution that is adopted under
21 Section 54.016 or 54.0165, Water Code, and that consents to the
22 creation of the district or to the inclusion of land in the
23 district.

24 Sec. 8373.106. NO EMINENT DOMAIN POWER. The district may
25 not exercise the power of eminent domain.

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 8373.151. ELECTIONS REGARDING TAXES OR BONDS.

1 (a) The district may issue, without an election, bonds and other
2 obligations secured by:

3 (1) revenue other than ad valorem taxes; or

4 (2) contract payments described by Section 8373.153.

5 (b) The district must hold an election in the manner
6 provided by Chapters 49 and 54, Water Code, to obtain voter approval
7 before the district may impose an ad valorem tax or issue bonds
8 payable from ad valorem taxes.

9 (c) The district may not issue bonds payable from ad valorem
10 taxes to finance a road project unless the issuance is approved by a
11 vote of a two-thirds majority of the district voters voting at an
12 election held for that purpose.

13 Sec. 8373.152. OPERATION AND MAINTENANCE TAX. (a) If
14 authorized at an election held under Section 8373.151, the district
15 may impose an operation and maintenance tax on taxable property in
16 the district in accordance with Section 49.107, Water Code.

17 (b) The board shall determine the tax rate. The rate may not
18 exceed the rate approved at the election.

19 Sec. 8373.153. CONTRACT TAXES. (a) In accordance with
20 Section 49.108, Water Code, the district may impose a tax other than
21 an operation and maintenance tax and use the revenue derived from
22 the tax to make payments under a contract after the provisions of
23 the contract have been approved by a majority of the district voters
24 voting at an election held for that purpose.

25 (b) A contract approved by the district voters may contain a
26 provision stating that the contract may be modified or amended by
27 the board without further voter approval.

1 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

2 Sec. 8373.201. AUTHORITY TO ISSUE BONDS AND OTHER
3 OBLIGATIONS. The district may issue bonds or other obligations
4 payable wholly or partly from ad valorem taxes, impact fees,
5 revenue, contract payments, grants, or other district money, or any
6 combination of those sources, to pay for any authorized district
7 purpose.

8 Sec. 8373.202. TAXES FOR BONDS. At the time the district
9 issues bonds payable wholly or partly from ad valorem taxes, the
10 board shall provide for the annual imposition of a continuing
11 direct ad valorem tax, without limit as to rate or amount, while all
12 or part of the bonds are outstanding as required and in the manner
13 provided by Sections 54.601 and 54.602, Water Code.

14 Sec. 8373.203. BONDS FOR ROAD PROJECTS. At the time of
15 issuance, the total principal amount of bonds or other obligations
16 issued or incurred to finance road projects and payable from ad
17 valorem taxes may not exceed one-fourth of the assessed value of the
18 real property in the district.

19 SECTION 2. The Coates Ranch Municipal Utility District No.
20 1 initially includes all the territory contained in the following
21 area:

22 Tract I:

23 Said 921.8551 acres of land lying and being situated in
24 Kinney County, Texas; about seven miles N 21° W of the City of
25 Brackettville, the County Seat; containing acreages in the various
26 Surveys, as follows:

1	Sur. No.	Original Grantee	Abst.	No.Acres.
2	3	H.L.Dignowity	621	72.3267
3	268	P.Moore	507	2.5831
4	517	H.E.&W.T.R.R. Co.	816	419.8181
5	523	H.E.&W.T.R.R. Co.	817	164.8747
6	524	G.Dietzel	1673	<u>262.2525</u>
7			Total	921.8551 Ac.

8 Said 921.8551 acres of land being the southeast portion of
 9 the Eduardo A. de la Graza Lands; and being more fully described by
 10 metes and bounds, as follows:

11 BEGINNING at a 5/8" Steel Pin found at a fence corner post,
 12 for the Westernmost corner of this tract, and the common corner of
 13 the following four Surveys, viz.: the East corner of Sur. No. 409,
 14 B.B.B. & C. R.R. Co.; the South corner of Sur. No. 413, S.F.A.M. & I.
 15 Co.; the West corner of said Sur. No. 517; and the North corner of
 16 Sur. No. 410, Ben S. Jones;

17 THENCE with fence along the northwest lines of said Sur. No.
 18 517 and Sur. No. 3, the southeast line of said Sur. No. 413, N 32° 00'
 19 00" E 4859.13 ft. to a 5/8" Steel Pin, found at a fence corner post;
 20 for a re-entrant corner of a 40.00 ft. wide road easement (as
 21 recorded in Tract III, in Vol. A-66, Page 277-280, Deed Records),
 22 and a North corner of this tract;

23 THENCE leaving said Survey line, and with fence along a
 24 southwest R.O.W. line of said 40.00 ft. wide road easement, S 42° 04'
 25 08" E 192.52 ft. to a 5/8" Steel Pin found at a fence corner post,
 26 for a South corner of said road easement, and a re-entrant corner of
 27 this tract;

1 THENCE leaving fence and continuing with the southeast R.O.W.
2 line of said road easement, along a northwest side of this tract, as
3 follows:

4 N 42° 02' 32" E 991.47 ft. to a large creosoted post in
5 concrete, for corner;

6 N 54° 31' 40" E, crossing the northeast line of said Sur.
7 No. 3, the southwest line of said Sur. No. 524, 1053.77 ft. to a
8 large creosoted post in concrete, for corner; and

9 THENCE S 59° 19' 30" E 221.71 ft. to a 5/8" Steel Pin found in
10 fence; for the South corner of the S.E. terminal of said road
11 easement, and a re-entrant corner of this tract;

12 THENCE continuing with the northwest side of this tract, with
13 fence and 5/8" Steel Pins found at fence corner posts, for corners,
14 as follows:

15 N 29° 52' 14" E, at 40.00 ft. pass a point for the North
16 corner of the S.E. terminal of said road easement; total 1722.04
17 ft.;

18 N 40° 30' 16" E 1529.27 ft.;

19 N 14° 50' 33" W, crossing the northwest line of said Sur.
20 No. 524, the southeast line of said Sur. No. 268, 1560.55 ft.; and

21 THENCE N 33° 53' 54" E 131.42 ft. to a 5/8" Steel Pin found at a
22 fence corner post, in the northeast line of said Sur. No. 268, the
23 southwest line of Sur. No. 2, I. & G.N. R.R. Co., Blk. 6; for the
24 Northernmost corner of this tract;

25 THENCE with fence, along the southwest line of said Sur. No.
26 2, the northeast lines of Sur. Nos. 268, 524, and 523, respectively,
27 and along a northeast side of this tract, S 58° 47' 22" E 4337.16 ft.

1 to a 5/8" Steel Pin, found at a fence corner post in the west line of
2 Sur. No. 8, I. & G.N. R.R. Co., Blk. 6; for a South corner of said
3 Sur. No. 2, the N.E. corner of said Sur. No. 523, and the N.E. corner
4 of this tract;

5 THENCE with fence and the west line of said Sur. No. 8, along
6 the east line of said Sur. No. 523 and an east side of this tract, S
7 00° 25' 19" W 2398.89 ft. to a 5/8" Steel Pin, found at a fence corner
8 post, for the E.S.E. corner of this tract;

9 THENCE leaving said Survey line, and with fence along a
10 southeast side of this tract, as follows:

11 N 89° 06' 42" W 1058.11 ft. to a 5/8" Steel Pin set at a
12 fence corner post, for corner;

13 S 80° 43' 46" W 478.65 ft. to a 1" Steel Pin found under
14 fence, for corner;

15 S 80° 31' 20" W 659.66 ft. to a 5/8" Steel Pin set at a
16 fence corner post, for corner;

17 S 83° 54' 33" W 882.17 ft. to a 3/4" Steel Pin found at a
18 fence corner post, for an East re-entrant corner;

19 S 10° 48' 00" E 736.67 ft. to a 3/4" Steel Pin found near
20 a 3-way fence corner post, for corner;

21 S 82° 17' 14" E 76.27 ft. to a 3/4" Steel Pin found near a
22 3-way fence corner post, for corner;

23 S 42° 54' 05" W 468.96 ft. to a 3/4" Steel Pin found at a
24 fence corner post, for corner;

25 S 00° 05' 29" E 81.77 ft. to a 5/8" Steel Pin set at a
26 large dead Elm tree stump fence corner, for corner;

27 S 12° 51' 33" E, crossing Elm Creek, 63.57 ft. to a 5/8"

1 Steel Pin set at a 10" Elm tree fence corner;

2 S 07° 47' 12" W 215.66 ft. to a 5/8" Steel Pin set at a
3 north gate post, for corner;

4 S 68° 06' 02" W, crossing private pasture road, 15.17 ft.
5 to a 5/8" Steel Pin set at a south gate post, for corner;

6 S 21° 59' 21" W 110.37 ft. to a 1" Steel Pin, found at a
7 fence corner post in the southwest line of said Sur. No. 523, the
8 northeast line of Sur. No. 518, J. Herzing; for a middle S.E. corner
9 of this tract;

10 THENCE continuing, and with said Survey line, N 58° 08' 12" W
11 136.75 ft. to a 5/8" Steel Pin found at a fence corner post, for the
12 North corner of said Sur. No. 518, the East corner of said Sur. No.
13 517, and a re-entrant corner of this tract;

14 THENCE with fence and the northwest line of said Sur. No. 518,
15 the southeast line of said Sur. No. 517, along a southeast side of
16 this tract, S 32° 40' 56" W 5967.46 ft. to a 5/8" Steel Pin found at a
17 3-way fence corner, in the northeast line of Sur. No. 410, Ben S.
18 Jones; for the West corner of said Sur. No. 518, the South corner of
19 said Sur. No. 517, and the Southernmost corner of this tract;

20 THENCE with fence and the northeast line of said Sur. No. 410,
21 the southwest line of said Sur. No. 517, along a southwest side of
22 this tract, N 58° 01' 13" W, crossing Elm Creek, 3612.76 ft. to the
23 place of BEGINNING;

24 and property:

25 TRACT A:

26 BEING 680.0186 acres of land, more or less, lying and being situated
27 in Kinney County, Texas, about seven miles N 21° W of Brackettville,

1 the County Seat, containing acreage in various Surveys, as follows:

2	<u>Sur. No.</u>	<u>Original Grantee</u>	<u>Abst. No.</u>	<u>Acres</u>
3	3	H L. Dignowity	621	7.6652
4	267	H. N Cleveland	38	37.7480
5	268	P Moore	507	578.5462
6	524	G Dietzel	1673	<u>56.0592</u>
7		Total.....		680.0186Ac.

8 Said tract of 680.0186 acres being more fully described by metes and
9 bounds, in one body, as follows:

10 BEGINNING at a 5/8" Steel Pin set at corner of Fence, in the S.E.
11 line of Sur. No. 413, S F.A.M. & I Co., distant 4859 13 N 32° E of its
12 South corner. Said point being the East corner of the O.D. Dooley
13 Farms;

14 THENCE along the northwestern line of Sur. No. 517, N 32° 00' 00" E
15 1109.19 ft. to a point for the East Corner of Sur No. 413;

16 THENCE along its N.E. line N 58° 00' 00" W 3943.41 ft. to a point in
17 fence for a corner;

18 THENCE with fence, N 41° 40' 28" E 988.09 ft. to a 5/8" Steel Pin at
19 fence corner;

20 THENCE with fence N 23° 57' 59" W 2141.26 ft.; and N 15° 12' 55" W
21 828.38 ft. to a 5/8" Steel Pin at fence corner;

22 THENCE with fence N 70° 05' 10" E 1361.21 ft. to a corner;

23 THENCE with fence N 83° 56' 06" E 1846.46 ft. to a 16" Live Oak for a
24 corner;

25 THENCE with fence as follows:

26 N 74° 52' 12" E 253 62 ft. to a corner;

27 N 48° 36' 04" E 34 92 ft. to a corner;

1 S 59° 17' 38" E 1611 56 ft. to a 5/8" Steel Pin at fence corner,
2 in the S.W line of Sur. No. 2, I & G N RR. Co., Blk. 6;
3 THENCE with fence and along the S.W. line of Sur. No. 2, S 58° 47'
4 22" E 2086.39 ft. to a 5/8" Steel Pin at corner of fence;
5 THENCE with fence as follows:
6 S 33° 53' 54" W 131 42 ft. to a corner;
7 S 14° 50' 33" E 1560.55 ft. to a corner;
8 S 40° 30' 16" W 1529 27 ft. to a corner; and
9 S 29° 52' 14" W 1722.04 ft. to a 5/8" Steel Pin for corner;
10 THENCE leaving fence, N 59° 19' 30" W 221 71 ft. to a 5/8" Steel Pin
11 for corner;
12 THENCE S 54° 31' 40" W 1058.77 ft. to a 5/8" Steel Pin for a corner;
13 THENCE S 42° 02' 32" W 991 47 ft. to a 5/8" Steel Pin in fence for
14 corner;
15 THENCE with fence N 42° 04' 08" W 192.52 ft. to the place of
16 BEGINNING.

17 TRACT B:

18 BEING 102.5974 acres of land, more or less, lying and being situated
19 in Kinney County, Texas, about seven miles N 21° W of Brackettville,
20 the County Seat, all out of Sur. No. 413, S.F A.M. & I. Co.,
21 Original Grantee, Abst. No. 570;
22 BEGINNING at a 5/8" Steel Pin set at corner of fence, in the S E.
23 line of Sur No. 413, at a point 1109.19 ft. S 32° 00' 00" W from its
24 East corner;
25 THENCE with fence N 57° 56' 13" W 4079.16 ft. to a 5/8" Steel Pin for
26 a corner;
27 THENCE crossing Road, N 45° 31' 58" W 51.89 ft. to a 5/8" Steel Pin

1 for the West corner;
2 THENCE N 41° 40' 28" E 1109.27 ft. to a point for the North corner;
3 THENCE along the N.E. line of Sur No. 413, S 58° 00' 00" E 3943.41 ft.
4 to a point for its East corner;
5 THENCE along the S.E. line of Sur No. 413, S 32° 00' 00" W 1109.19 ft
6 to the place of BEGINNING.

7 TRACT C:

8 An undivided one-half (1/2) interest in and to the following
9 described parcels of land, to-wit:

10 Parcel 1:

11 BEING 4.4662 acres of land, more or less, lying and being situated
12 in Kinney County, Texas, about seven miles N 21° W of Brackettville,
13 the County Seat, all out of Sur. No. 409, B.B.B & C RR. Co., Original
14 Grantee, Abst. No. 20; said 4 4662 acres being more fully described
15 by metes and bounds as follows:

16 BEGINNING at a 5/8" Steel Pin set for the north corner of this
17 tract, in the N.E. line of Sur. No. 409, and distant 4382.33 ft. N
18 57° 49' 51" W of its East corner;

19 THENCE crossing Road S 58° 00' 21" E 49.58 ft. to a point for the east
20 corner;

21 THENCE S 32° 06' 15" W 4011 33 ft. to a 5/8" Steel Pin for the South
22 corner, set in the N E. Right-of-Way line of Ranch Road No. 2804;

23 THENCE along said R.O.W N 56° 58 00" W 47.44 ft to a 5/8" Steel Pin
24 for the West corner;

25 THENCE N 32° 04' 25" E 4010 47 ft to the place of
26 BEGINNING.

27 Parcel 2:

1 BEING 11 010 acres of land, more or less, lying and being situated
2 in Kinney County, Texas, about seven miles N 21° W of Brackettville,
3 the County Seat, all out of Sur No. 413, S F A.M & I Co., Original
4 Grantee, Abst. No. 570, said 11.0100 acres being more fully
5 described by metes and bounds, as follows:

6 BEGINNING at a 5/8" Steel Pin set for the West corner of this tract,
7 in the S W. line of Sur No. 413, and distant 4382 22 ft. N 57° 49' 51"
8 W of its South corner;

9 THENCE with fence N 29° 02' 19" E 136.01 ft. to a corner;

10 THENCE with fence as follows:

11 N 35° 50' 10" E 3621.84 ft.

12 N 35° 46' 18" E 146 45 ft.

13 N 35° 49' 53" E 74.75 ft.

14 N 32° 09' 56" E 891 62 ft to a 5/8" Steel Pin for the North
15 corner;

16 THENCE crossing Road, S 45° 31' 58" E 51.89 ft. to a fence
17 corner, at 5/8" Steel Pin;

18 THENCE with fence, S 32° 02' 11" W 2598 06 ft. to a corner; THENCE
19 with fence S 38° 43' 57" W 2146.97 ft. and S 32° 06' 15" W 120.46 ft.
20 to a point for a corner;

21 THENCE crossing Road N 58° 00' 21" W 49.58 ft. to the place of
22 BEGINNING

23 SECTION 3. (a) The legal notice of the intention to
24 introduce this Act, setting forth the general substance of this
25 Act, has been published as provided by law, and the notice and a
26 copy of this Act have been furnished to all persons, agencies,
27 officials, or entities to which they are required to be furnished

1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2 Government Code.

3 (b) The governor, one of the required recipients, has
4 submitted the notice and Act to the Texas Commission on
5 Environmental Quality.

6 (c) The Texas Commission on Environmental Quality has filed
7 its recommendations relating to this Act with the governor, the
8 lieutenant governor, and the speaker of the house of
9 representatives within the required time.

10 (d) All requirements of the constitution and laws of this
11 state and the rules and procedures of the legislature with respect
12 to the notice, introduction, and passage of this Act are fulfilled
13 and accomplished.

14 SECTION 4. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2015.